

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY BUDAPEST IMMEDIATE

UNCLAS STATE 091028

E.O. 11652: N/A

TAGS: PERP, EEWT, HU, US

SUBJECT: HUNGARIAN TRADE AGREEMENT - TRANSMITTAL LETTER

1. FOLLOWING IS TEXT OF PRESIDENTIAL LETTERS DATED APRIL 7 TO SPEAKER OF THE HOUSE AND PRESIDENT OF THE SENATE (THIS WAS INCLUDED IN APRIL 7 WHITE HOUSE PRESS RELEASE -- PUJA-KAISER EXCHANGE WAS NOT PART OF PRESS RELEASE, BUT IS BEING GIVEN TO MEDIA REPRESENTATIVES UPON REQUEST).

2. BEGIN TEXT: "DEAR MR. SPEAKER: (DEAR MR. PRESIDENT:) IN ACCORDANCE WITH SECTION 407 OF THE TRADE ACT OF 1974, I AM TRANSMITTING A COPY OF A PROCLAMATION EXTENDING NON-DISCRIMINATORY TREATMENT TO THE PRODUCTS OF THE HUNGARIAN PEOPLE'S REPUBLIC. I ALSO ENCLOSE THE TEXT OF THE AGREEMENT ON TRADE RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE HUNGARIAN PEOPLE'S REPUBLIC, WHICH WAS SIGNED ON MARCH 17, 1978, AND WHICH IS INCLUDED AS AN ANNEX TO THE PROCLAMATION.

3. I AM ALSO ENCLOSING A COPY OF MY REPORT TO THE CONGRESS
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PURSUANT TO SECTION 402(C) (2) OF THE TRADE ACT OF 1974. I SHALL ISSUE TODAY AN EXECUTIVE ORDER WAIVING THE APPLICATION OF SUBSECTIONS (A) AND (B) OF SECTION 402.

4. THE AGREEMENT ON TRADE RELATIONS SHOULD CONTINUE THE DEVELOPMENT OF OUR ECONOMIC RELATIONS WITH HUNGARY, TO OUR ACTUAL BENEFIT, BY PLACING OUR TRADE ON A NONDISCRIMINATORY

BASIS. IT MARKS ANOTHER SIGNIFICANT STEP IN THE IMPROVEMENT OF US-HUNGARIAN RELATIONS. DURING THIS DECADE, WE HAVE CONCLUDED IMPORTANT AGREEMENTS IN THE CONSULAR, FINANCIAL, CULTURAL, AND SCIENTIFIC FIELDS AND HAVE BEGUN A CONSTRUCTIVE DIALOGUE IN MANY AREAS, INCLUDING HUMANITARIAN MATTERS.

5. I AM ALSO ENCLOSING, FOR THE INFORMATION OF THE CONGRESS, A RECENT EXCHANGE OF LETTERS BETWEEN THE HUNGARIAN FOREIGN MINISTER AND THE AMERICAN AMBASSADOR TO HUNGARY. THIS EXCHANGE REVIEWS THE PROGRESS WE HAVE MADE TO DATE AND MAKES CLEAR EACH NATION'S DESIRE TO FURTHER COOPERATE WHEREVER POSSIBLE.

6. THIS EXCHANGE ALSO HIGHLIGHTS HUNGARY'S GENERALLY POSITIVE POLICY ON EMIGRATION. FOR WELL OVER A YEAR, UNITED STATES OFFICIALS HAVE HAD REGULAR CONVERSATIONS WITH HUNGARIAN OFFICIALS ABOUT HUNGARIAN EMIGRATION LAW, POLICY AND PRACTICE, AND ABOUT THE RESOLUTION OF INDIVIDUAL CASES. THE HUNGARIAN GOVERNMENT HAS STRESSED THAT IT INTENDS TO CONTINUE DEALING WITH EMIGRATION MATTERS IN A RESPONSIVE AND HUMANITARIAN WAY. HUNGARY'S ACTIONS HAVE BEEN CONSISTENT WITH THIS POLICY; WE HAVE ENCOUNTERED FEW PROBLEMS IN RESOLVING SPECIFIC CASES.

7. I HAVE REVIEWED THE CIRCUMSTANCES OF HUNGARIAN EMIGRATION. UNCLASSIFIED

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TION IN LIGHT OF ALL THESE CONSIDERATIONS, AND HAVE DETERMINED THAT A WAIVER OF THE APPLICATION OF SUBSECTIONS (A) AND (B) OF SECTION 402 OF THE TRADE ACT OF 1974 WILL SUBSTANTIALLY PROMOTE THE OBJECTIVES OF THAT SECTION.

8. I BELIEVE THAT THE AGREEMENT IS CONSISTENT WITH BOTH THE LETTER AND THE SPIRIT OF THE TRADE ACT OF 1974. IT PROVIDES FOR MUTUAL EXTENSION OF MOST-FAVORED-NATION TARIFF TREATMENT, WHILE SEEKING TO ENSURE OVERALL RECIPROCITY OF ECONOMIC BENEFITS. ITS SPECIAL SAFEGUARD ARRANGEMENTS PROVIDE STRONG ASSURANCES THAT OUR TRADE WITH HUNGARY WILL GROW WITHOUT INJURY TO DOMESTIC FIRMS OR LOSS OF JOBS FOR AMERICAN WORKERS. SINCERELY, JIMMY CARTER." END TEXT. VANCE

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